

**MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
April 15, 2003
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on April 15, 2003 in the Auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: Chairman Elzie Higginbottom and Members Violet Clark and Gary Peterlin. Member William Dugan was present telephonically.

Chairman Higginbottom convened the April 15, 2003 Regular Meeting at 9:37 A.M. in the 3rd floor Board Conference Room. Member Clark moved that **pursuant to Section 2(c), paragraphs (1), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, the Board retire to Closed Session to discuss the items listed under Closed Session on today's (April 15, 2003) agenda and relating to the following subject matters:**

- 1. Pending litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters; and**
- 4. Closed session minutes.**

Member Peterlin seconded the motion. The Board adopted the motion by unanimous consent and retired to closed session.

The Board convened its Open Session at 1:20 P.M.

Approval of Minutes

Member Peterlin moved that **the Board approve the following closed session minutes of the Illinois Gaming Board's Regular Meetings of February 25, 2003, March 18, 2003 and Special Meetings of March 6, 2003, March 12, 2003, March 26, 2003 and April 2, 2003.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

Member Peterlin further moved that **the Board approve the following open session minutes of its Regular Meeting of March 18, 2003 and Special Meetings of March 6, 2003, March 12, 2003, March 26, 2003 and April 2, 2003.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

Chairman's Report

Chairman Higginbottom stated that the Board is making good progress in the settlement as it relates to the Emerald Casino license. Chairman Higginbottom stated that the Board's attorneys have been working very hard with the Attorney General's Office and representatives from the Governor's Office in an attempt to resolve some of the few remaining issues as it relates to the Board coming up with a reorganization plan that is acceptable to all parties. Chairman Higginbottom stated that the Board would be submitting a plan to Emerald Casino, Inc. for their review. Chairman Higginbottom stated that the Board and Staff hopes that the plan would be acceptable to Emerald Casino, Inc. Chairman Higginbottom stated that the plan meets the original objectives of the Emerald Casino settlement, which Chairman Higginbottom stated were to have a fair, open and competitive process. Chairman Higginbottom stated that the plan also meets the objective of making sure that each and every community in the state of Illinois has an equal opportunity to bid for the license. Chairman Higginbottom stated that all persons who compete for the license would be treated fairly and competitively.

Chairman Higginbottom announced that there is an ALJ hearing scheduled for May 5, 2003 on the Emerald license.

Chairman Higginbottom announced that Al McDonald, Deputy Administrator of Finance, would be retiring. Chairman Higginbottom stated that Mr. McDonald has been with the Gaming Board since its inception in 1990. Chairman Higginbottom stated that Mr. McDonald would be a difficult person to replace. Chairman Higginbottom wished Mr. McDonald well in his future endeavors.

Chairman Higginbottom stated that Gene O'Shea, Public Information Officer, would give a full report on the Board's Self-Exclusion Program at the next meeting (May 15, 2003).

Gene O'Shea announced that as of yesterday (April 14, 2003), 277 people have been enrolled in the Self-Exclusion Program for the year 2003. Mr. O'Shea stated that in 2002, during the first six months of the program, 277 persons enrolled. Mr. O'Shea stated that Staff has met last year's total within the first four months of this year. Mr. O'Shea stated that he is expecting to have at least 1,000 persons enrolled by the end of this year. Mr. O'Shea stated that there are a total of 554 persons enrolled in the program so far.

Administrator's Report

Administrator Parenti announced that there would be a General Manager's meeting on April 24, 2003 at 10:00 A.M. Administrator Parenti briefed the public on the items that would be discussed at the General Manager's meeting, which include FINCEN, Coast Guard regulations, Ticket In/Ticket Out (TITO), Self-Exclusion, warning about patrolling casino parking lots for children in cars, affirmative action, badge requirements for Owners and Key Persons, internal controls, and 24-hour gaming.

Owner Licensee Items

CASINO ROCK ISLAND – LICENSE RENEWAL – Traci Tricoci, Attorney, Gary Buettner, Vice President of Finance, and Bill Renk, Vice President of Sales & Marketing were present on behalf of Casino Rock Island.

Mr. Renk provided the Board with a brief presentation highlighting the success that Casino Rock Island has generated over the past two years. Mr. Renk stated that since the time of Casino Rock Island's last renewal in 2001, Casino Rock Island has seen steady growth in attendance and in Adjusted Gross Receipt. Mr. Renk stated that in 2002 Casino Rock Island achieved its highest level of patronage and Adjusted Gross Receipts in its ten-year history. Mr. Renk stated that the growth in attendance and Adjusted Gross Receipts could be credited in large part to an expansion of two gaming floors, which added 30% more gaming space and required an investment of \$569,000. Mr. Renk stated that Casino Rock Island has completed three projects between December of 2002 and March of 2003 – the renovation of the casino buffet restaurant, a casino lounge put in place for more dining options for guests, and the removal of a second-deck pit for additional slot machines. Mr. Renk stated that the three projects required an investment of \$375,000. Mr. Renk stated that Casino Rock Island has been a strong business partner in the Quad City market since it began operations in 1992. Mr. Renk briefed the Board on its financial contributions to various community organizations over the last two years. Mr. Renk stated that involvement in the community goes beyond financial support. Mr. Renk briefed the Board on the Casino Rock Island's hands-on contributions. Mr. Renk stated that Casino Rock Island enjoys a continuing positive relationship with the City of Rock Island, the Mayor of Rock Island, and Rock Island's City Manager. Mr. Renk stated that the City of Rock Island remains in strong support of Casino Rock Island's operation and recognizes the vital role that the casino plays in the economics of the community. Mr. Renk stated that Casino Rock Island recognizes the need to attract and keep quality employees in order to be successful in a very competitive market. Mr. Renk briefed the Board on Casino Rock Island's efforts in making significant advances in recruitment and retention of management, which has enabled the casino to operate more productively and efficiently. Mr. Renk stated that Casino Rock Island is committed to providing equal employment opportunities and encourage all minority, female, and disabled individuals to apply for positions. Mr. Renk briefed the Board on the different resources that Casino Rock Island use to recruit minorities. Mr. Renk stated that Casino Rock Island, the City of Rock Island, and the State have all enjoyed the success of the past two years and that they should also see the potential in the possibility of a new casino project, which is currently under development. Mr. Renk stated that the President of Casino Rock Island has had discussions with Staff and has kept Staff abreast of progress. Mr. Renk stated that a final letter of intent to purchase the land has been issued, architects are preparing conceptual drawings, and investigations to any potential problems or concerns in regard to the site are ongoing. Mr. Renk stated that Casino Rock Island anticipates coming back before the Board sometime during the Summer of 2003 for a presentation on the project. Mr. Renk stated that he looks forward to continuing success, and he asked that the Board recognize the growth that has been made by Casino Rock Island and grant a renewal of its license.

Member Peterlin asked what effect would the move of Casino Rock Island have on the district and the progress of the downtown area.

Mr. Renk stated that the district, over the course of ten years, was a beneficiary of the casino when it initially began operations. Mr. Renk stated that during the course of the ten years, the district has developed to the extent that they could certainly “stand on their own.”

HARRAH’S CASINO, JOLIET – TERISIA GALL, STAFF AUDITOR – LEVEL ONE – Chris Riley, Attorney, was present on behalf of Terisia Gall to request approval as a Level One.

Based on a review of the staff’s investigation and recommendation, Member Peterlin moved that **the Board approve Terisia Gall as a Level 1 Occupational Licensee of Des Plaines Development Limited Partnership d/b/a Harrah’s Casino Cruises Joliet.**

Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

GRAND VICTORIA CASINO – ERNEST EAST, EXECUTIVE COMMITTEE MEMBER – KEY PERSON – Traci Tricoci, Attorney, was present on behalf of Ernest East to request approval as a Key Person.

Based on a review of the staff’s investigation and recommendation, Member Clark moved that **the Board approve Ernest East as a Key Person of Elgin Riverboat Resort d/b/a Grand Victoria Casino.** Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

Occupational Licensees

Based on staff’s investigation and recommendation, Member Peterlin moved that **the Board approve 63 applications for an Occupational License Level 2 and 174 applications for an Occupational License Level 3.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

Proposed Complaints and Disciplinary Actions

IN RE THE DISCIPLINARY ACTION OF TERRY SHUMAKER - Based on a review of Staff’s investigation and recommendation, Member Clark moved that **the Board issue a disciplinary complaint against Terry Shumaker, a Level 2 Occupational Licensee, for failing to comply with the Riverboat Gambling Act and the Board’s Adopted Rules in relation to his July 21, 2000 Theft conviction and his July 27, 2000 Theft conviction.**

Member Clark further moved that **the Board revoke Terry Shumaker’s occupational license. Said action will take affect twenty-one (21) days from the date of service of the Complaint unless the licensee files an answer within that time period.** Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

IN RE THE DISCIPLINARY ACTION OF STEVEN BECKWITH - Based on a review of Staff's investigation and recommendation, Member Peterlin moved that **the Board issue a disciplinary complaint against Steven Beckwith, a Level 2 Occupational Licensee, for failing to comply with the Riverboat Gambling Act and the Board's Adopted Rules in relation to his September 20, 1996 conviction for False Report of Theft.**

Member Peterlin further moved that **the Board revoke Beckwith's occupational license. Said action will take affect twenty-one (21) days from the date of service of the Complaint unless the licensee files an answer within that time period.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

At 1:50 P.M., Member Clark moved to adjourn. Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

Respectfully submitted,
Monica Thomas

Secretary to the Board